

foreign exchange reserves to help ease the financial crisis suffered by its neighbors, Taiwan has proven its commitment to the welfare and health of the international community.

Given this reality, Mr. Speaker, it is both unfortunate and unjust that Taiwan is still denied membership in the United Nations, the World Health Organization, the World Trade Organization, and other multilateral bodies that would benefit from the Taiwan's active involvement. Regrettably, many of Taiwan's humanitarian contributions have been shunned or rejected as a consequence of this political inequity.

In 1993, for example, the ROC's Department of Health pledged to donate \$200,000 to a WHO/UNICEF program in order to provide vaccines for children of Kazakhstan and four other Central Asian republics. However, this donation was rejected because the ROC is not a member of the UN or the WHO. Mr. Speaker, it is tragic when children suffer because political obstinacy was more important than human welfare.

Not only does Taiwan's exclusion for participation in international organizations harm other nations, it violates the fundamental international right that countries that are affected by multilateral cooperation agreements should have the right to participate in the crafting of these agreements. Taiwan, according to the UN itself, is one of the six largest high-sea fishing countries in the world, yet it was denied the opportunity to join in the negotiation and adoption of an important UN fish conservation agreement in 1995.

In a similar situation, Taiwan's offer to become a signatory to the Montreal Protocol on the Substances that Deplete the Ozone Layer was refused, resulting in the threat of international economic sanctions against Taiwan—despite the ROC's unilateral implementation of the provisions of the Protocol. Mr. Speaker, the diplomatic anachronism of Taiwan's absolute exclusion from efforts of international cooperation must come to an end.

Mr. Speaker, Taiwan's 88th year appears to hold great promise, as long-stalled talks with the People's Republic of China seem likely to continue in the near future. In addition, Taiwan's economy remains strong despite serious regional difficulties. The record of success of the Taiwanese people is unmistakably clear and strong.

On this important anniversary, Mr. Speaker, I wish the people of Taiwan a glorious National Day and I wish the government of Taiwan the voice that it deserves in the international community.

SHIRLEY FLEISCHMANN NAMED MICHIGAN PROFESSOR OF THE YEAR BY CARNEGIE FOUNDATION

HON. VERNON J. EHLERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 8, 1998

Mr. EHLERS. Mr. Speaker, I rise today to pay tribute to Shirley Fleischmann, an engineering professor at the Padnos School of Engineering at Grand Valley State University. As Vice-Chairman of the House Science Committee, I am extremely proud to announce that Shirley has been named by the Carnegie Foundation for the Advancement of Teaching as its 1998 Michigan Professor of the Year.

Dr. Fleischmann is the first engineering professor and the fourth woman in the state of Michigan to receive this award since it was introduced in 1985. She is also the first Grand Valley State University professor to receive this award that recognizes undergraduate instructors who excel as teachers and who influence the lives of their students. The award is based on the recipients demonstrated involvement with undergraduate students, their scholarly approach to teaching, and their service to their profession and the community in which they live. For professors the award is one of the highest honors they can receive.

Before beginning her teaching career at Grand Valley, Shirley was a professor of mechanical engineering at the United States Naval Academy from 1982–1989. She earned her Ph.D. in Mechanical Engineering from the University of Maryland. She also received M.S. degrees in Mechanical Engineering and Physics from Maryland and was awarded a B.S. in Physics as well. Shirley grew up in Holland, Michigan, where she graduated from Holland Christian High School. To this day she credits her high school teachers for giving her the tools and skills necessary to do her job so effectively.

Mr. Speaker, it is the effort and dedication of professors like Shirley Fleischmann that is so crucial to the future of science education. Professors such as Shirley can help the United States renew its interest in science and better prepare our leaders of tomorrow with the necessary tools and knowledge they need for careers in math, science, and engineering. Her excitement and willingness to go that extra mile in training future scientists and engineers is a shining example of why she was selected for this prestigious award. I ask my colleagues to join me in congratulating Professor Shirley Fleischmann on this outstanding accomplishment.

INTRODUCTION OF ESOP REFORM LEGISLATION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 8, 1998

Mr. CRANE. Mr. Speaker, today I am introducing two bills to provide tax reform in order to encourage economic growth of employee-owned companies in my State of Illinois and around the country.

I have been a strong advocate of employee stock ownership plans (ESOP's). I also have the privilege of representing a significant number of employee-owners of the Nation's largest publicly-owned ESOP, United Airlines. After taking over the ownership of the company, the United employees effected a dramatic economic turnaround of the company's fortunes—making United Airlines a financial success story.

In the summer of 1997, Gerald Greenwald, Chairman and CEO of United Airlines, came to me with ideas to amend the tax rules to allow employees to better utilize their ESOP Investments. When the ESOP tax laws were written, they did not account for companies like United taking ESOP's to such a grand scale. So, as in so many cases it is time for the law to catch up to the realities of the marketplace.

I have been working on these proposals since then to prepare for an opportunity to include them in an appropriate tax vehicle. Such an opportunity has not yet presented itself. Therefore, I am introducing these proposals as stand-alone bills and to bring more attention to the need for updating the ESOP laws.

While ESOP's give the employees a stake in the company and provide a great opportunity to invest for retirement, the current tax rules restrict the ability of employees to use their investments for other important events in their life.

The first bill will expand the ability of employee owners to make qualified distributions from their ESOP's, without incurring a 10-percent penalty on early withdrawals. Similar to the expanded uses for individual retirement accounts Congress has passed, this proposal will allow ESOP distributions for first time home purchases or for college expenses. This will especially benefit middle-income level employees who find it more difficult to save the money to buy their own home or send their children to college.

The second proposal would address a conflict between 401(k) plans and ESOP's. Under current law, employer contributions to 401(k) retirement plans are limited when contributions are also being made to an ESOP. My bill will allow employers to contribute to their employees' 401(k) plans without taking into account their ESOP contributions.

I commend these bills to the attention of my colleagues and urge them to support the employee-owners at United and other ESOP's around the country by cosponsoring these measures.

REDOUBLING EFFORTS TO APPREHEND INDICTED WAR CRIMINALS IN THE FORMER YUGOSLAVIA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 8, 1998

Mr. SMITH of New Jersey. Mr. Speaker, I rise today in support of H.R. 4660, authorizing the provision of rewards for information leading to the arrest and conviction of war criminals and those who have committed other serious violations of international humanitarian law in the former Yugoslavia.

As Co-Chairman of the Helsinki Commission, I have followed the tragic developments in the former Yugoslavia and advocated decisive action to stop the senseless slaughter, first in Bosnia, and most recently in Kosovo. But decisive action is not limited to military intervention alone. The tragic chapters of genocide and cold blooded murder in the Former Yugoslavia will not be closed until those responsible for such heinous criminal acts are brought to justice.

Developments in Bosnia underscore the fact that there is a price—a high price—to be paid for allowing indicted war criminals like Karadzic and Mladic to remain at large. The unfolding carnage in Kosovo is most certainly the handiwork of the "Butcher of Belgrade," Slobodan Milosevic. I applaud the recent passage of resolutions in the House and Senate calling for the investigation and indictment of Slobodan Milosevic as a war criminal. In fact, I introduced the measure in this House. We all

recognize, though, that true justice demands that the net be cast further than the one person most responsible.

As a supporter of the Tribunal, I believe it is critical that the Tribunal take a proactive stance in Kosovo that could serve as a possible deterrence against a new round of war crimes in the Former Yugoslavia. In the case of Bosnia, the Tribunal could only react to crimes that were mostly committed before and during its formation. In Kosovo, however, crimes could perhaps be deterred, if the Tribunal is vigorous and visible in its investigation of ongoing activity.

Mr. Speaker, we saw a couple of days ago the reports of a major massacre in three villages in Kosovo, where women, children and the elderly were slain and, in some instances, their bodies mutilated by the Serbian security forces. These scenes are all too familiar and, absent determined action, will be repeated over and over and over again. The Helsinki Commission has received disturbing reports from Senator Bob Dole and Assistant Secretary of State John Shattuck who formed a fact-finding mission to Kosovo. They told us about men being separated from women and children and simply taken away, perhaps to lengthy detention or maybe their execution. There are also reports, again of the mass rape being used as a weapon of war.

Mr. Speaker, as a cosponsor of H.R. 4660, I believe adoption of this legislation will underscore the continued commitment of the United States to see that those responsible for the war crimes and other serious violations of international humanitarian law are held accountable for their actions. While it is unlikely that the offer of rewards alone will lead to the arrest or conviction of all of those responsible for war crimes in the Former Yugoslavia, even if one war criminal is brought to justice as a result of our action today, the modest investment would have been worth the effort.

ELECTRICITY DEREGULATION

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 8, 1998

Mr. MATSUI. Mr. Speaker, today, together with my Ways and Means colleague, Mr. NEAL, I have introduced a bill setting forth the Administration's approach to legislation addressing the tax consequences of electricity deregulation upon tax-exempt bonds issued by municipally owned utilities for the generation, transmission and distribution of electricity. As my colleagues may recall, the Administration unveiled a comprehensive electricity deregulation proposal on March 24, 1998, which included a section dealing with the tax issues associated with deregulation.

The 105th Congress did not have an opportunity to take up this or other proposals on electricity deregulation this year. However, despite the lack of Federal legislation in this area, 18 states have already gone forward and begun to deregulate electricity at the state and local level. My own home state of California has deregulated much of its market already. The era of competition has already started for the utilities operating in these states.

Municipally-owned utilities have operated up to now under a strict regime of Federal tax

rules governing their ability to issue tax-exempt bonds which were enacted in an era that did not contemplate electricity deregulation. These so-called "private use" rules limit the amount of power that municipal or state-owned utilities ("public power") may sell to private entities through facilities financed with tax-exempt bonds. For years, the private use rules were cumbersome but manageable. As states deregulate, however, the private use rules are threatening many communities that are served by public power with significant financial penalties as they adjust to the changing marketplace. In effect, the rules are forcing public utilities to face the prospects of violating the private use rules, or walling off their customers from competition, or raising rates to consumers—the precise opposite of what deregulation is supposed to achieve. The consumer can only lose when this happens.

The Administration proposal that I am introducing today would protect consumers by grandfathering already outstanding bonds, continue to permit public utilities to issue tax-exempt bonds for facilities involved in the distribution of electricity in the future, but eliminate their ability to issue tax-exempt debt in the future for facilities involved with the transmission or generation of electricity.

In addition, because the restructuring of the electric utility industry is affecting the investor-owned utilities as well as public utilities, the Administration proposal includes a provision intended to address a tax problem that a number of the investor-owned utilities face in a deregulated world. Specifically, under present law, the amount of contributions to a qualified nuclear decommissioning fund a utility is entitled to deduct is the lesser of "cost-of-service" amount or the "ruling amount." In a restructured market, if a nuclear power plant is no longer subject to cost-of-service ratemaking, it could be determined that the amount of decommissioning costs included in cost-of-service would be zero. To eliminate this possibility, the provision would change the present law limitation on the amount of the deduction by limiting the deduction solely by reference to the "ruling amount."

I am introducing this legislation at this time in order to give affected parties, including consumers, an opportunity to review the bill and provided us in Congress with input on its provisions. With this input, we will be in a position to address this important issue more capably in the 106th Congress. I am certainly aware that there are other approaches to the private use problem, some of which have been introduced this year in the House and others in the other body. There are numerous policy and technical issues to be resolved in designing a fair and workable solution to this problem.

The bill does not resolve all of those problems, and indeed, is intended to be a starting point for the consideration of the tax issues involved with electricity deregulation. Other approaches, for instance, providing an election for public utilities to live within the current private use regime or opt into a regime without the ability to issue tax-exempt bonds except for distribution and transmission, merit serious review and discussion.

Even within the approach the Administration has taken in this bill, there are issues that might be decided differently. For instance, the legislation somewhat arbitrarily defines "distribution property" as output facilities that operate at 69 KV or lower. It is our understand-

ing that this definition does not pick up all facilities used for distribution, and that a more flexible definition may be necessary. We welcome input on this issue.

In addition, the legislation ties the relief in the bill to enactment of a Federal electric deregulation bill, which, of course, has not yet been enacted. Because states like California have already deregulated, public power consumers need this relief now. An alternate effective date tied to state deregulation activities would be appropriate.

Another example of an important issue that might be addressed differently is the refunding of bonds. The legislation permits only current refundings of tax-exempt bonds within the grandfather of existing debt, but it also permits the maturity of the bonds to be extended for a limited period. On the other hand, it does not permit advance refundings. The legislation could be drafted to permit either approach to refunding, or advanced and current refundings without extension of the maturity term. I urge affected parties to comment on which is the more appropriate rule.

Another complex issue on which we seek comment is whether public utilities should be able to issue bonds for generation and transmission where the proceeds of the bonds are used just to repair or make environmental improvements to existing facilities and are not used to expand significantly current capacity. The bill as introduced does not address this issue.

Mr. Speaker, we plan to work with all interested parties including American consumers to ensure that we end up with the fairest, most reasonable solution to this complex problem. We want electricity deregulation to be a good deal for everyone involved, especially the American consumer who certainly deserves the lower electric bills that a competitive marketplace is supposed to provide. I urge my colleagues to review this legislation carefully over the coming months and welcome their input, as well as that of all affected parties.

STATEMENT RECOGNIZING SYRIA'S LIBERAL POLICY OF JEWISH EMIGRATION

HON. TOM CAMPBELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 8, 1998

Mr. CAMPBELL. Mr. Speaker, I come to the floor today to recognize with commendation that the country of Syria followed through on its promises regarding Jewish emigration over the past 6 years.

Beginning in 1992, without fanfare, Syria eased its strict travel and emigration policies on its Jewish community. Numbering around 100,000 at the turn of the century, the Syrian Jewish community numbered only approximately 5,000 by 1992. Up until 1992, Syrian Jews could only travel outside of the country individually, and only if family members remained behind. Between April and October of 1992, however, approximately 2,600 of this 5,000 were allowed to emigrate from Syria.

In October of 1992, Syria temporarily suspended this eased emigration policy. However, in December of 1993, Secretary of State Warren Christopher visited the country, and in a goodwill gesture during this visit, President